

TOGUT, SEGAL & SEGAL LLP
One Penn Plaza, Suite 3335
New York, New York 10119
(212) 594-5000
Scott E. Ratner
Richard K. Milin

Conflicts Counsel to the Reorganized Debtors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	Chapter 11
MOTORS LIQUIDATION COMPANY, <i>et al.</i> ,)	Case No. 09-50026 (REG)
Debtors.)	(Jointly Administered)

**ORDER CONCERNING CHARTIS SPECIALTY
INSURANCE COMPANY AND PROOF OF CLAIM NUMBER 71242**

Upon consideration of: (i) the 110th Omnibus Objection to Claims filed on December 3, 2010 (Docket No. 8000); (ii) the Response to the Claim Objection by Chartis U.S. (“**Chartis**”), dated March 4, 2011 (Docket No. 9601); (iii) the Reorganized Debtors’ (1) Supplemental Claim Objection and (2) Motion To Enforce the Plan Injunction and Automatic Stay and To Enjoin Chartis U.S. From Continuing To Retain More Than \$20 Million It Improperly Seized from the Reorganized Debtors, dated October 6, 2011 (Docket No. 11019); (iv) the Stipulation and Agreed Order Approving a Partial Resolution of Certain Claims Asserted Against the Reorganized Debtors by Chartis Specialty Insurance Company and Lexington Insurance Company, dated November 7, 2011 (Docket No. 11119); (v) Proof of Claim No. 71242 filed by Chartis Specialty Insurance Company, f/k/a American International Specialty Lines Insurance Company, Lexington Insurance Company, and any other entities related to Chartis Inc. that have an interest in the subject matter thereof, dated November 9, 2011 (the “**Amended Claim**”); (vi) the Reorganized Debtors’ Amended Supplemental Objection

to Proof of Claim Number 71242 Asserted by Chartis Specialty Insurance Company on the Ground that the Claim Is Not Properly Secured by a Valid Right of Setoff, dated November 17, 2011 (the “**Amended Objection**”); (vii) the response to the Amended Objection filed by Chartis (the “**Chartis Response**”); (vii) the reply to the Chartis Response filed by the Reorganized Debtors (the “**Reply**”); and the relief requested by the Amended Objection being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Amended Objection having been provided; and a status conference having been conducted by this Court; and a subsequent hearing having been held to consider the relief requested in the Amended Objection (the “**Hearing**”); and upon consideration of: (i) the Amended Claim; (ii) the Amended Objection; (iii) the Chartis Response; (iv) the Reply; and (v) the pleadings submitted by the parties in support or opposition to the relief sought therein and upon the record of the Hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Amended Objection is in the best interests of the Reorganized Debtors, their estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Amended Objection establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is:

ORDERED, that Proof of Claim No. 71242 filed by Chartis Specialty Insurance Company, f/k/a American International Specialty Lines Insurance Company, Lexington Insurance Company, and any other entities related to Chartis Inc. that have an interest in the subject matter thereof, is reclassified and Allowed as a General Unsecured Claim (as defined in the Debtors’ Second Amended Joint Chapter 11 Plan (Docket No. 9836)) in the amount of \$4,500,000; and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
January __ 2012

HONORABLE ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE